

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Global Reseller Expedited Package Contracts 2
(MC2013-51)
Negotiated Service Agreement

Docket No. CP2020-172

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE
NOTICE OF FILING MODIFICATION TWO TO A
GLOBAL RESELLER EXPEDITED PACKAGE CONTRACTS 2
NEGOTIATED SERVICE AGREEMENT

(October 11, 2022)

The Public Representative hereby provides comments pursuant to the Commission's Notice in this docket.¹ In that Notice, the Commission reopened the above referenced docket to receive comments from interested persons on a Postal Service Request to enter into an additional Global Reseller Expedited Package 2 (GREP) Contract.²

Prices and classifications not of general applicability for GREP contracts were previously established by Governors' Decision No. 10-1, issued March 24, 2010.³ In Order No. 1746, Commission approved the addition of the GREP Contracts 2 product (MC2013-51) to the competitive products list, and included a GREP Contracts 2 contract (CP2013-64) designated as a baseline agreement within the product.⁴

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, October 7, 2022.

² Notice of the United States Postal Service of Filing Modification Two to Global Reseller Expedited Package Contracts 2 Negotiated Service Agreement, October 6, 2022. (Notice).

³ See Request of the United States Postal Service to Add Global Reseller Expedited Package Contracts to the Competitive Products List and Notice of Filing (Under Seal) of Contract and Enabling Governors' Decision, Docket Nos. MC2010-21 and CP2010-36, March 29, 2010 (Request).

⁴ PRC Order No. 1746, Order Adding Global Reseller Expedited Package Contracts 2 to the Competitive Product List Negotiated Service Agreement, Docket Nos. MC2013-51 and CP2013-64, June 13, 2013.

This is the second modification the Postal Service has filed in this docket. The first modification was approved by the Commission on September 24, 2021.⁵

The Postal Service states that the agreement that is the subject of this docket is set to expire October 31, 2022.⁶ Attachment A indicates that the intended effective date of this Modification is November 1, 2022. Furthermore, Attachment A indicates that the Modification shall remain in effect until April 30, 2023. The Modification revises Articles 2, 6, 8, and 11 of the Agreement, changes Article 11 to update the expiration date, and adds Annexes 1B, 2B, and 3B to the Agreement.

COMMENTS

The Public Representative has reviewed the Postal Service's Notice, the Modification, and the supporting financial model filed under seal that accompanied the Notice. Based upon that review, the Public Representative concludes that the Modification should be approved. It appears the prices in the contract as amended by the Modification should continue to generate sufficient revenues to cover costs.

Requirements of 39 U.S.C. § 3633. 39 U.S.C. § 3633 requires that prices for competitive products must cover each product's attributable costs, not result in the subsidization of competitive products by market dominant products, and enable competitive products as a whole to contribute an appropriate share to the institutional costs of the Postal Service. In addition, the Commission requires that each contract included within a GREP product must cover its attributable costs.

The Postal Service's financial model indicates that the negotiated prices in the instant contract as amended by the Modification in this docket should generate sufficient revenues to cover costs and the addition of the contract to the product should also satisfy 39 U.S.C. § 3633.

⁵ Order Approving Modifications to Global Reseller Expedited Package Services 2 Negotiated Service Agreements, September 24, 2021 (Order No. 5987).

⁶ Notice at 1

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

901 New York Ave. NW
Washington, DC 20268-0001
202-789-6857
Christopher.Mohr@prc.gov

Christopher Mohr
Public Representative